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Lucia A Keegan 11/07/2006 02:59:45 PM From DB/Inbox: Lucia A Keegan

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UNCLAS SECTION 01 OF 02 PARIS 007208

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DEPT FOR OES/ENV; WHITE HOUSE FOR CEQ; EPA FOR INTL; DOE FOR INTL

E.O. 12958: N/A TAGS: <u>SENV</u> <u>PGOV</u> <u>FR</u>

SUBJECT: FRENCH FOCUS ON THE ENVIRONMENT

REF: PARIS 6969

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- 11. Summary: A number of environmental developments have occurred in France recently:
- The release of State of the Environment IFEN Report 2006;
- President Chirac's announcement of an international conference to be held in Paris in early 2007 to press for a UN Environment Organization;
- The issuance of a new 'Pact for the Environment' and the implementation of new energy saving certificates;
- The Stern report highlighting the price of failing to act on climate change receives wide media coverage. End Summary.

IFEN report: Industrial pollution down...

12. October saw the publication of the fourth edition of "Environment in France," prepared by the French Institute for the Environment (IFEN) for the period 2002-2005. This 500-page document no longer covers only a few targeted sectors. Rather, the report addresses global themes of climate change, consumption of non-renewable resources, erosion of biodiversity, health-environment linkages, and the pressure of households and human activities on the environment. According to the authors, the main sources of pollution - industrial, agricultural, energy - are globally on the

decline - or stabilizing. French companies, under EU regulations, intensified controls, and the desire to show a "greener" image, have reduced their contribution to air and water pollution. These companies are now subject to CO2 quotas.

GHG's Stable...

13. This latest IFEN report concludes that French GHG emissions are stable: In 2004, GHG emissions were 0.8 percent below the 1990 threshold (2004 GHG emissions - 562.6 million metric tons - show nevertheless a 0.3 percent rise over 2003.) Final energy consumption has remained quasi-stable over the previous five years. Even in the transport sector, the sector responsible for the largest (25%) percentage of GHGs, emissions have reportedly stabilized since 12002. (Causes for the stabilization include higher fuel costs, a decline in the rate of increase of road transportation, speed limit enforcement, and lower vehicle fuel consumption.) Emissions in the housing sector, however, continue to rise.

But, personal consumption unchanged.

14. The report's interesting message is that despite strong and incessant local messages about climate change and the need to reduce resource consumption, the French population is not significantly modifying behavior. Thus, each citizen continues to produce an average of 350 kg of waste/year (no improvement in the last 3 years) and to use 160 liters of water/day. The report further finds that French citizens remain highly wedded to their automobiles despite a well-developed public transportation system. While the French acknowledge deep concern for environmental quality, according to the IFEN report, they do not seem ready yet to change practices or pay extra money for more environmental products. The message is clear: To go beyond Kyoto commitments, radical change in individual comportment will be needed. (IFEN report in French can be found at http://www.ifen.fr.

Chirac Proposes UN Environment Organization...again

15. Prior to his trip to New York to attend the 61st session of the UNGA, President Chirac stated that in light of continued climate and environment problems, "it is essential to take new steps." He proposed yet again, the creation of a United Nations Environment Organization "with the capacity to develop and implement policies" He also said that Paris would host an international conference on the environment in Paris on this issue in early 2007. The conference would gather political, economic, and social leaders and experts to bring "definition of what an international action at the international and UN level should be." Note: Embassy has no further details about this conference at this time. End note.

And, Prime Minister Calls for Environment Pact

- 16. With some seven months until French presidential elections, Prime Minister de Villepin has taken on an ecological theme or two. His October press conference was devoted to energy saving plans. He affirmed environmental protection as a central goal for future policy-making and announced a series of new green initiatives, including:
- -- The creation of a green savings bank account designed to mobilize Euro 10 billion (available by January 2007) to offer households and firms low interest loans to finance energy saving;
- -- Credits worth Euro 200 million over five years for renewable heating in buildings;
- -- An extra Euro 100 million will be earmarked for research into hybrid diesel engines (with the objective to reach a 30 percent reduction in fuel consumption);
- -- A tax on the industrial use of coal, the objective being to reduce by 6 percent CO2 emissions between 2006 and 2012;
 -- A significant increase (tenfold) of the French production of biofuels by 2015. Villepin further pledged to increase the number

of petrol stations around France offering ethanol-based E85 fuel at the pump. Tax incentives will be tabled before the end of the year to assure E85 remains a cheap option for consumers.

France implements energy saving certificates

¶7. Since the beginning of October, 2400 suppliers of electricity, gas, domestic fuel oil, heating, and refrigeration in France have received notices from the Industry Ministry about new energy saving certificates. The certificates, inspired by the CO2 quota exchange market, is based on an obligation imposed on energy sellers to generate energy savings over a given period. The national target for the next three years (July 2006-June 2009) is to save 54 terawatt hours (compared with 1000 tWh sold every year in France). Individual objectives have been assigned in proportion to each company's market share. If a company fails to reach its goal, a fine of two (Euro) cents per exceeding kWh will be assessed.

Stern Report Highlights Costs of Climate Change

- 18. French media gave much publicity to the release by British economist Nicholas Stern how failure to act against climate warming would trigger a catastrophic global recession. "Le Monde" and "Liberation" headlines claimed that, according to the Stern report, climate change will cost the world 5.5 trillion Euros if nothing is done to curb global warming. Ecology Minister Nelly Olin declared on October 31 that she was in total agreement with the Stern report conclusions. She also indicated that an interministerial committee for sustainable development will meet in France in the coming days (before the November 15 Nairobi conference) to update France's National plan to fight climate change with among other things, new voluntary measures to reduce GHG emissions.
- 19. Comment: This adumbration of environmental matters covering several weeks captures the flavor of middle-of-the-road environmentalism in France. It also points up how difficult it can be even with a population seized with concern about the climate to reduce significantly GHG emissions. End Comment.

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